



USAID | MACEDONIA

ACCELERATED ECONOMIC GROWTH

APRIL 2006



USAID supports a partnership between dozens of tool making factories and the Mechanical Engineering Faculty with a state-of-the-art CAD-CAM laboratory.

OVERVIEW

Since independence in 1991, Macedonia's economy has suffered from many shocks which have prevented the country from gaining a firm economic standing with unemployment rates over 30 percent, low foreign investment, and single digit growth rates. Economic growth is at the top of the list of issues Macedonia needs to address. USAID economic activities focus on increasing competitiveness, introducing high tech solutions to streamline business-to-business, and government-to-business services and promoting workforce development initiatives.

PROGRAMS

STRENGTHENING FINANCIAL INSTITUTIONS

The Macedonia Financial Sector Project, which ended in December of 2005, supported the comprehensive development of the financial system by helping to implement modern standards and practices in accounting, banking, capital markets, the pension system, and the non-bank financial sector. The project addressed the legal and regulatory framework, institutional capacity and professional standards; and promoted linkages among all financial sectors.

The Financial Services Volunteer Corps provides world-class professionals to Macedonian financial institutions to solve specific technical problems in central banking, commercial banking, and capital markets.

IMPROVING PRIVATE SECTOR COMPETITIVENESS

The Macedonia Competitiveness Activity (MCA) helps Macedonian enterprises develop and market complex products and services. MCA is focusing on five industry clusters: lamb and cheese, tourism, information technology, wine and apparel. MCA also sponsors the National Entrepreneurship and Competitiveness Council bringing industry, government and labor together to improve Macedonia's competitiveness in key industries.

The Seal of Quality and Agribusiness Assistance Project has helped the Macedonian meat and dairy industries become recognized and preferred by customers through improved quality. The Agribusiness Assistance Project has expanded to include the fruit and vegetable industries.

ACCESS TO CAPITAL

The first of its kind for USAID, the Small and Medium Enterprises Fund provides short-term working capital financing for raw materials, packaging, taxes, marketing, and other costs to support the production and delivery of manufactured goods for both the domestic and foreign markets.

For more information visit:
<http://macedonia.usaid.gov>



The 3D@E-schools Project is at the cutting edge of entertainment technology training. In partnership with the Ministry of Education, USAID is sponsoring the 3D animation training program to help prepare Macedonian high school students for potential jobs in the expanding digital animation industry.

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The Rural Financial Institutions Project created “FULM Savings House” as Macedonia’s first user-owned savings and credit institution. FULM now has 5,000 members and deposits exceeding the equivalent of \$1.8 million. FULM now offers a comprehensive range of deposit and lending products for small business, farmers and consumers.

SUPPORT THE BUSINESS ENVIRONMENT FOR INVESTMENT

The Corporate Governance and Company Law Project, which ended in (January 2006), helped the Macedonian government implement its new omnibus Company Law which brought Macedonia up to European Union standards in this area. The project educated the business community about compliance obligations and best business practices. It also worked to raise awareness and increase knowledge about stockholder rights among the large number of workers who were granted company shares during Macedonia’s privatization.

As a follow up to USAID’s assistance in support of Macedonia’s successful WTO accession in 2003, the WTO Compliance Activity, which ended in March 2006, helped Macedonia participate in the work of the WTO. The project helped create public-private partnerships to formulate trade policy and pursue the benefits of WTO membership.

The Macedonian Electric Company was the largest remaining state owned enterprise in Macedonia. The Regional Energy Activities Project assisted Macedonia to convert the state owned enterprise into a privately held, publicly regulated utility and strengthen the capacity of the Macedonian Energy Regulatory Commission.

The e-Gov IMPACT Project is helping to develop strategies, standards, and capacity for fiscal management; to improve efficiency and transparency of government operations; and to reduce opportunities for fraud, waste, and abuse. Services will progress from publishing government information, to interactions online, to transacting government business online.

LOCAL ECONOMIC DEVELOPMENT

The Aid to Artisans Project, which was financed by USAID until the end of November 2005, provided training in product design and marketing to local artisans. International design consultants were engaged to show weavers, ceramicists, and metal workers how to adapt traditional products to modern markets. Marketing specialists trained producers to develop business plans and new markets for their products.

The e-BIZ Project assists small and medium enterprises develop public-private partnerships to identify and adopt information and communications technology applications through demonstration projects, shared technology centers, and by forging closer links between business and university computer science specialists.

The PET Recycling Project supports the establishment of profitable recycling of used plastic bottles made of polyethylene terephthalate (PET) through a public-private partnership.